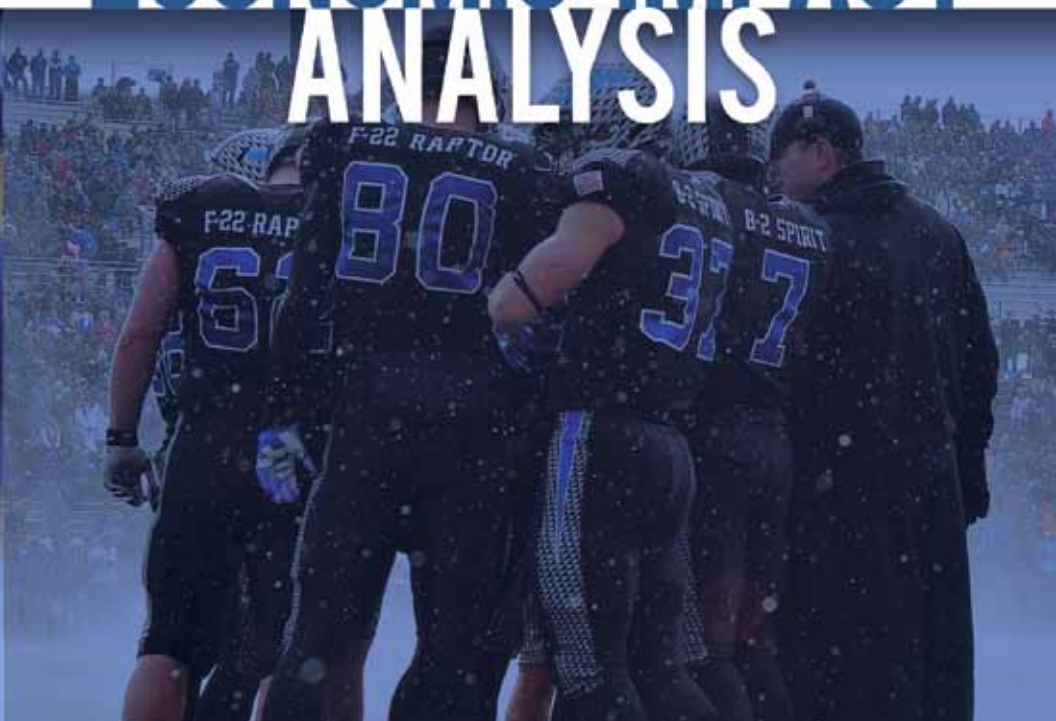


US AIR FORCE ACADEMY

Colorado Springs, Colorado

ECONOMIC IMPACT ANALYSIS



**FISCAL YEAR
2012**

MESSAGE FROM THE USAF SUPERINTENDENT

The United States Air Force Academy is pleased to present its economic impact analysis for fiscal year 2012. Our vision for the Air Force Academy is clear—to be the Air Force's premier institution for developing leaders of character. It is our mission to educate, train, and inspire men and women to become officers of character motivated to lead the United States Air Force in service to our nation.

Members of the United States Air Force Academy live, work, and educate their children in the Colorado Springs area. They take advantage of the vast recreational opportunities and are involved with local charities and organizations. The economic impact analysis is an annual publication designed to inform the reader of the economic impact USAFA has on the surrounding communities.

The Academy could not succeed in its mission without the contribution and support of our local communities. We are proud to be a part of a community that faithfully and consistently supports our military.

MIKE GOULD
Lieutenant General, USAF
Superintendent



MESSAGE FROM THE USAFA COMPTROLLER

This economic impact analysis for the United States Air Force Academy is prepared annually by the Financial Analysis Division to provide unclassified information to the public concerning our significant economic impact on the local area. Items addressed include: personnel assigned to or employed by the base; annual payroll of all assigned and employed personnel; expenditures for construction, services and procurement of materials, equipment and supplies; and estimated number and dollar value of indirect jobs created by USAFA's presence.

This statement should provide the reader with an understanding of the vital economic and personal relationship between USAFA and the surrounding communities.

FRANK R. VERDUGO, Lt Col, USAF
Director, Financial Management
and Comptroller



UNITED STATES AIR FORCE ACADEMY VALUES AND MISSION

CORE VALUES

**INTEGRITY FIRST, SERVICE BEFORE SELF
AND EXCELLENCE IN ALL WE DO!**

MISSION

To educate, train, and inspire men and women to become officers of character motivated to lead the United States Air Force in service to our nation.



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PART I: BACKGROUND

ACADEMY OVERVIEW

The United States Air Force Academy traces its history back to April 1954, when it was established in a bill signed by President Dwight D. Eisenhower. This legislative act culminated four years of detailed work by Air Force and independent civilian boards committed to providing superior professional training for career Air Force officers. The site committee recommended the Colorado Springs location from over 500 prospective choices, based on a wide range of benefits offered by the area. With a moderate population, the Colorado Springs site offered sufficient land for expansion over the years, a temperate climate, an ideal flying environment, and a surrounding community eager to see the Academy located in its area. On 29 August 1958, the cadet wing moved to its home in Colorado Springs. The first graduating class was commissioned in June 1959. The cadet wing has grown considerably since that first class of 306 young men. Entering classes now number approximately 1,118, with total cadet wing strength of 4,108. The first women entered the Academy in 1976, graduating in 1980.



The Academy is a direct reporting unit (DRU), with the facilities and organizational structure of a major command. Superimposed on this structure are the requirements of a four-year collegiate institution that seeks to produce well-rounded, technically proficient officers. It is a challenging balance of academics, military training, athletics, and character development.

By the time cadets are commissioned as officers, they have completed approximately 141 academic credit hours and have received a Bachelor of Science degree in their major area of study. Thirty-one academic majors are offered. Over half of the graduates will go on to become pilots or navigators, others will begin technological and management careers, and some look forward to pursuing their education even further.

Many Academy professors wear the uniform of the United States Air Force, a constant reminder that the instructors are teaching their students to become military officers. In 1993, civilian instructors joined our faculty and currently number nearly 29 percent. They strengthen our bonds with the civilian academic community and increase the diversity of the experience offered to our cadets.



Nearly 50-year-old facilities and infrastructure are reaching the point of requiring extensive repairs or replacement. Being a national historical landmark requires new and sometimes more extensive approaches to facility maintenance. The Academy, with support from the Air Force and Congress, has begun extensive renovations/repairs starting in 2009 and will continue over a 15-20 year period.

PART I: BACKGROUND THE ACADEMY EXPERIENCE

Throughout today's Air Force, graduates of the U.S. Air Force Academy are fulfilling a commitment to excellence that was the cornerstone of their training and educational development as cadets. Since 1959, Academy graduates have served as pilots, navigators, engineers, support officers, and above all, leaders. Along the way, they have become aces in aerial combat, earned the Medal of Honor for gallantry and heroism, and piloted America's space shuttle.

They have succeeded, in part, through personal drive and because of the knowledge, character, motivation, courage, and discipline they developed during their Academy experience. The Academy develops the whole person by focusing its four-year program on four broad areas: Intellectual, professional, physical, and character.

The Academy experience is different - difficult, rewarding, and necessary to meet the challenges of Air Force leadership. Of the 12,274 men and women seeking entry to the Academy, 1,035 were offered appointments. These new cadets will have the characteristics that will help them meet the challenges of the Academy's rigorous, demanding program.

In years past, the Academy has provided its graduates with what author Tom Wolfe calls the "right stuff", the stuff of heroes. Heroes - like Capt. Lance P. Sijan, Class of 1965, who earned the Medal of Honor posthumously for never ending his personal fight for freedom after he was shot down and captured by the North Vietnamese. Like Col Karol J. Bobko, Class of 1959, who piloted the space shuttle Challenger in 1983 and commanded two space shuttle missions in 1985. Another graduate, Col John Blaha, Class of 1965, commanded the 1991 Atlantis Space Shuttle flight and piloted two previous shuttle flights. Gregg Popovich the head coach of the National Basketball Association's San Antonio Spurs graduated in 1970 from the United States Air Force Academy. He played basketball for four seasons at the Academy. Chesley B. Sullenberger, class of 1973, whose heroic actions as captain of U.S. Airways Flight 1549 saved the lives of crew members and 150 passengers by landing in the Hudson River and safely evacuating everyone. Heather Wilson, class of 1982, Rhodes Scholar, became the first (and to date only) Air Force Academy graduate to serve in Congress, representing New Mexico's 1st Congressional District until 2009. Lt. Col Nicole Malachowski, Class of 1996, completed her White House Fellowship, becoming the first woman to be selected to fly on any DoD military jet demonstration team, having served with the US Air Force Thunderbirds Air Demonstration Squadron, flying #3 position.



In the years ahead, Academy graduates will again be called upon to lead the advancement of air, space, and cyberspace power to guide the US Air Force into a future that can be anticipated, but seldom determined. Their Academy experience will prepare them for this adventure.

PART I: PREFACE

United States Air Force Academy Economic Impact Analysis • Fiscal Year 2012

The staff and faculty of the United States Air Force Academy, in the interest of our future national security, transform our future leaders into outstanding young men and women to become Air Force officers with knowledge, character, and discipline; motivated to lead the world's greatest aerospace force in service to the nation. Before its graduates enter various operational and support specialties, the Academy trains them to be, first and foremost, Air Force officers. Of the more than 44,979 graduates from more than 54 classes, more than 13,000 are on active duty.

The Academy's work force consists of 12,261 military members and civilian employees. Of these employees, 3,475 are civilian. The rest are active duty military and cadets. Civilian employees include: wage grade employees, general schedule civil service employees, and non-appropriated fund employees (included in the non-appropriated numbers are morale, welfare, and recreation, Athletic Association, Base Exchange, Air Academy Federal Credit Union, and Air Academy National Bank) and private contractors. There are approximately 75,000 retired military and family members in the regional area. Nearly half use Academy facilities, although the retiree impact is not included in this report.

Although not included in the impact analysis, the Academy is a national icon that draws over 440,000 visitors annually. The Academy holds 17 varsity sports for men and 10 for women to include football, volleyball, basketball, hockey, and others, associated with NCAA Division I Athletics and The Mountain West Conference. Over 3,100 youths attend sports camps each summer. These sporting events are estimated to draw over 300,000 attendees, approximately \$5.7M in revenue, and \$1M in labor costs.

USFA supported the Combined Federal Campaign with donations totaling \$534,921 in FY12. While we recognize CFC is not the only support to the local community, CFC is the main fundraiser supported by the installation that gives back to the community. Roughly 30% of CFC donations support the local agencies. Our Cadets provide over 31,000 hours in support to the community.

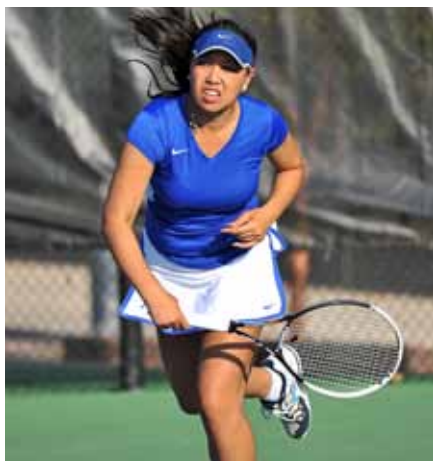
For fiscal year 2012, the economic impact of the United States Air Force Academy on the local area was approximately \$898 million dollars.

PART I: METHODOLOGY & AVAILABILITY OF INFORMATION

The total economic impact of a base on its economic area is computed by summing annual base payroll, annual base expenditures, and the estimated dollar value of indirect jobs created. An economic area is generally defined as a metropolitan statistical area (MSA). Each MSA has unique indirect job multipliers that are calculated by the Bureau of Labor Statistics (BLS) and are used to estimate the number of the indirect jobs created. This analysis was prepared using a Secretary of the Air Force/Directorate of Economic and Business Management (SAF/FMC) program that was developed within the parameters of the Office of the Secretary of Defense's Economic Impact Analysis model. The economic impact takes into account both appropriated funds (APF) and non-appropriated funds (NAF).

This economic impact analysis (EIA) provides key unclassified information about the resources and economic impact of the Air Force Academy on the surrounding communities. Questions concerning the content of this analysis should be directed to the Public Affairs Office (719) 333-7731, or DSN 333-7731.

Information contained in this analysis is current as of 30 September 2012. This analysis was prepared by HQ USAFA/FMA (DSN 333-2772, commercial 719-333-2772).



PART II: ASSETS

DESCRIPTION OF CAPITAL ASSETS

UNITED STATES AIR FORCE ACADEMY FY12

LAND

Total Acres	19,315 acres / 30.18 square miles
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RUNWAYS

Bullseye	48,900 square yards
USAFA	184,650 square yards

ROADS

Paved	92.4 miles
Unpaved	70.9 miles

BUILDINGS

Facilities	6.4M square feet
Replacement Cost	\$5.6B

MILITARY FAMILY HOUSING UNITS

Total Units	667
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DORMITORY QUARTERS

Airman	Number	Capacity
	2 buildings 5222	36
	5223	94

TEMPORARY QUARTERS

	Number	Capacity
Visitor Quarters	68	136
Distinguished Visitors Quarters	14	28
Temporary Lodging Facilities	20	80

PART III: ECONOMIC IMPACT SYNOPSIS

The United States Air Force Academy economic impact analysis is a useful resource for Air Force planners and a source of information for community leaders, legislators, and installation visitors. It presents the total economic impact and number of off-base secondary jobs supported by Air Force expenditures in the economic impact region (EIR). The EIR for the Air Force Academy covers the area within a fifty-mile radius, including the city of Colorado Springs.

**The information presented in this pamphlet is
updated annually by fiscal year.**

**THE TOTAL ECONOMIC IMPACT OF THE USAF
ACADEMY ON THE SURROUNDING COMMUNITY IN
FISCAL YEAR 2012:**

\$898,823,166



PART III: ECONOMIC IMPACT

TABLE 1

PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

(As of 30 September 2012)

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
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1. APPROPRIATED FUND MILITARY

Active Duty	383	1,233	1,616
Air Force Reserve/Air National Guard	0	2	2
Non-Extended Active Duty Reserve/ANG	0	4	4
Trainees/Cadets	4,108	0	4,108

TOTAL:	4,491	1,239	5,730
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2. ACTIVE DUTY MILITARY DEPENDENTS

3,056

3. APPROPRIATED FUND CIVILIANS

General Schedule	965
Federal Wage Board	221
Other (Faculty/Hospital/SL)	301

TOTAL:	1,487
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4. NON-APPROPRIATED FUND CONTRACT CIVILIANS & PRIVATE BUSINESS

Civilian NAF	560
Civilian BX	112
Contract Civilians (not elsewhere included)	1,300
Private Businesses On Base, By Type:	16
Branch Banks/Credit Union	16
Other Civilians (not elsewhere included)	0

TOTAL:	1,988
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TOTAL PERSONNEL:	12,261
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PART III: ECONOMIC IMPACT

TABLE 2

ANNUAL PAYROLL BY CLASSIFICATION AND HOUSING LOCATION

(As of 30 September 2012)

CLASSIFICATION	LIVING ON BASE (\$)	LIVING OFF BASE (\$)	TOTAL (\$)
1. APPROPRIATED FUND MILITARY			
Active Duty	\$28,517,286	\$120,911,282	\$149,428,568
ANG/Reserve	\$ 0	\$ 173,642	\$ 173,642
Trainees/Cadets	\$66,110,044	\$ 0	\$ 66,110,044
Non-Extended Active Duty ANG/Reserve	\$ 0	\$ 76,238	\$ 76,238
TOTAL:	\$94,627,330	\$121,161,162	\$215,788,492
2. APPROPRIATED FUND CIVILIANS			
General Schedule			\$ 68,265,173
Federal Wage Board			\$ 9,847,350
Other (Faculty/Hospital/SL)			\$ 36,634,760
TOTAL:			\$114,747,283
3. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			\$ 10,097,533
Civilian BX			\$ 4,833,179
Contract Civilians (not elsewhere included)			\$ 393,191
Private Businesses On Base, By Type:			\$ 308,768
Branch Banks/Credit Union		\$ 308,768	
Other Civilians (not elsewhere included)		\$ 0	
TOTAL:			\$15,632,671
TOTAL ANNUAL PAYROLL:			\$ 346,168,446

PART III: ECONOMIC IMPACT

TABLE 3

EXPENDITURES FOR CONSTRUCTION, SERVICES, AND PROCUREMENT OF MATERIALS, EQUIPMENT, AND SUPPLIES

(Not including contracts for services supplied to other Air Force installations)

(As of 30 September 2012)

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	\$ 0
Non-Appropriated Fund	\$ 99,909
Military Family Housing	\$ 446,000
O&M	\$ 128,595,913
Other	\$ 0
TOTAL:	\$ 129,141,822
2. SERVICES	
Services Contracts *	\$ 98,774,671
TOTAL:	\$ 98,774,671
3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Base Exchange (BX)	\$ 1,001,313
Health (TRICARE, Government cost only)	\$ 1,149,540
Education (Impact aid and tuition assistance)	\$ 566,724
TDY	\$ 786,535
Other Materials, Equipment & Supplies (not elsewhere included)	\$ 80,988,247
TOTAL:	\$ 84,492,359
4. COMMISSARY (DECA)	
Personnel	263
Payroll	\$ 2,823,584
Materials, Equipment & Supplies	\$ 479,823
TOTAL:	\$ 3,303,407
TOTAL ANNUAL EXPENDITURES: \$315,712,259	

* Includes only contracts in the local economic area or contracts requiring the use of locally supplied goods and services.

PART III: ECONOMIC IMPACT

TABLE 4

ESTIMATE OF NUMBER AND DOLLAR VALUE OF INDIRECT JOBS CREATED

(As of 30 September 2012)

TYPE OF PERSONNEL	# OF BASE JOBS	# OF MULTIPLIER	# OF INDIRECT JOBS
ACTIVE DUTY MILITARY	1,616	0.41	663
RESERVE/ANG/TRAINEEs	4,114	0.16	658
APF CIVILIANS	1,487	0.55	818
OTHER CIVILIANS	1,988	0.55	1,093
TOTAL:	9,205		3,232
ESTIMATED NUMBER OF INDIRECT JOBS CREATED:			3,232
AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY:			\$ 58,500

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: \$189,072,000

PART III: ECONOMIC IMPACT

TABLE 5

ESTIMATED LOCAL ECONOMIC IMPACT OF 2012 GRADUATION WEEK AND PARENTS' WEEKEND VISITORS

ESTIMATES BELOW ARE BASED ON THE FOLLOWING ASSUMPTIONS:

- Attendance estimates based on 2012 graduation week and 2012 parents' weekend
- Estimated length of stay based on 2012 graduation week and 2012 parents' weekend
- Expenditures per person per day based on 2012 DoD maximum per diem rate for Colorado Springs
- Sales tax estimates do not include the 2% hotel and the 1% rental car tax

GRADUATION WEEK ESTIMATED ECONOMIC IMPACT

Estimated attendance	35,000
Average length of stay	5.0 days
Expenditures per person per day	\$ 150
Estimated economic impact: $35,000 \times 5.0 \times \150	\$ 26,250,000
Estimated sales tax revenue:	
Colorado Springs Sales Tax (2.5%)	\$ 656,250
El Paso County Sales Tax (1.0%)	\$ 262,500
Pikes Peak Rural Transportation Authority Sales Tax (1.0%)	\$ 262,500
CO State Sales Tax (2.9%)	\$ 761,250
TOTAL Sales Tax (7.4%)	\$ 1,942,500

PARENTS WEEKEND ESTIMATED ECONOMIC IMPACT

Estimated number of visitors:	10,000
Average length of stay:	6.0 days
Expenditures per person per day	\$ 150
Estimated economic impact: $10,000 \times 6.0 \times \150	\$ 9,000,000
Estimated sales tax revenue: $7.4\% \times \$9,000,000$	\$ 666,000

TOTAL 2012 ESTIMATED ECONOMIC IMPACT FOR BOTH EVENTS (including sales tax revenue):	\$37,858,500
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PART III: ECONOMIC IMPACT

TABLE 6

ESTIMATED LOCAL ECONOMIC IMPACT OF 2012 CADET IN-PROCESSING

CADET IN-PROCESSING ESTIMATED ECONOMIC IMPACT:

Estimated attendance	5,320
Average length of stay	2.0 days
Expenditures per person per day	\$ 150
Estimated economic impact: 5,320 x 2.0 x \$150	\$ 1,596,000
Estimated sales tax revenue:	
Colorado Springs Sales Tax (2.5%)	\$ 399,000
El Paso County Sales Tax (1.0%)	\$ 159,600
Pikes Peak Rural Transportation Authority Sales Tax (1.0%)	\$ 159,600
CO State Sales Tax (2.9%)	\$ 462,840
TOTAL SALES TAX (7.4%)	\$ 1,181,040

TOTAL: \$2,777,040

PART III: ECONOMIC IMPACT

TABLE 7

TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE

(As of 30 September 2012)

ANNUAL PAYROLL:		\$	346,168,446
Military		\$	215,788,492
Federal Civilian		\$	114,747,283
Other Civilian		\$	15,632,671
ANNUAL EXPENDITURES:		\$	315,712,259
ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED:		\$	189,072,000
Estimated Indirect Jobs Created	3,232		
Average Annual Pay	\$58,500		
ESTIMATED LOCAL ECONOMIC IMPACT OF 2012 GRADUATION WEEK AND PARENTS' WEEKEND:		\$	37,858,500
COMBINED FEDERAL CAMPAIGN:		\$	534,921
SPORTING EVENTS/CAMPS:		\$	6,700,000
CADET INPROCESSING:		\$	2,777,040
GRAND TOTAL:		\$	898,823,166

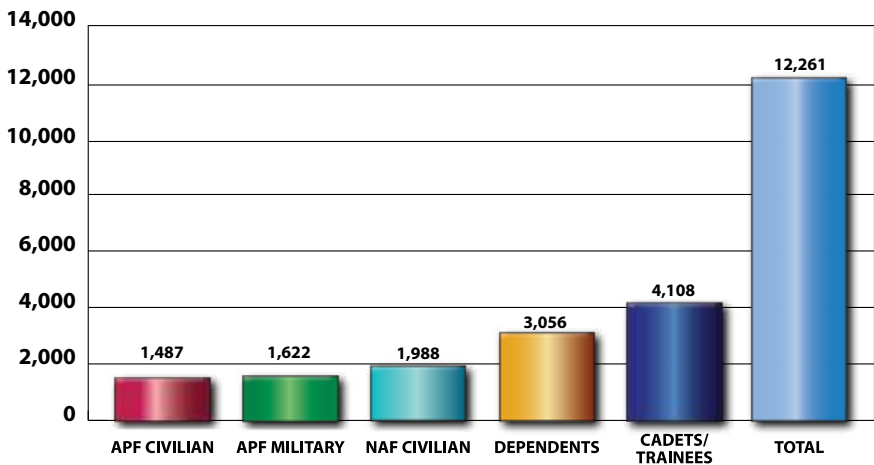
Data Sources:

Multipliers: LMI Economic Impact Database, Installations and Indirect/Induced Job Multipliers, Feb 95
 Avg Annual Pay: Current tables for Average Annual Pay Levels in Metropolitan Areas and Average Annual
 Pay by State and Industry are accessible at: <http://www.averagesalarysurvey.com>

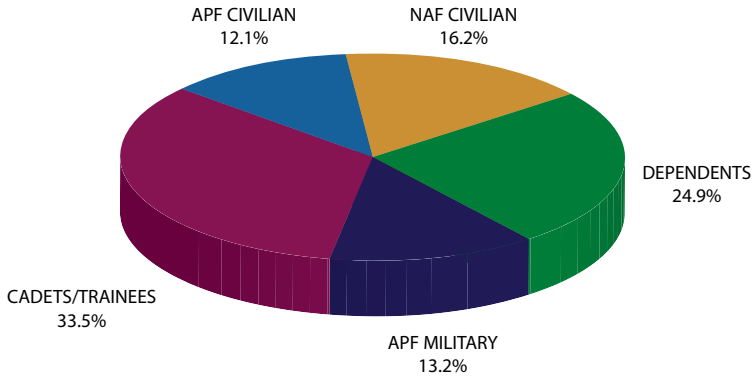
PART IV: GRAPHIC REPRESENTATION OF DATA

TABLE 1-PERSONNEL

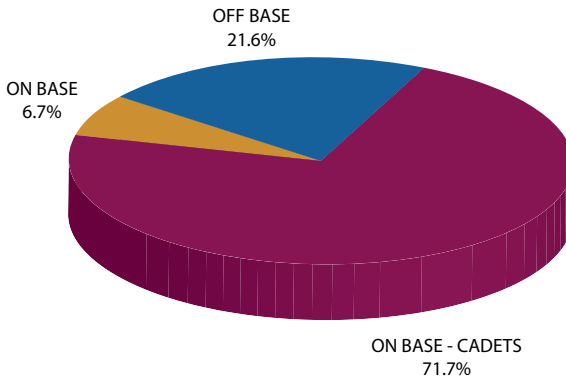
**PERSONNEL SUMMARY
USAF ACADEMY - FY12**



PERSONNEL SUMMARY BY % USAF ACADEMY - FY12



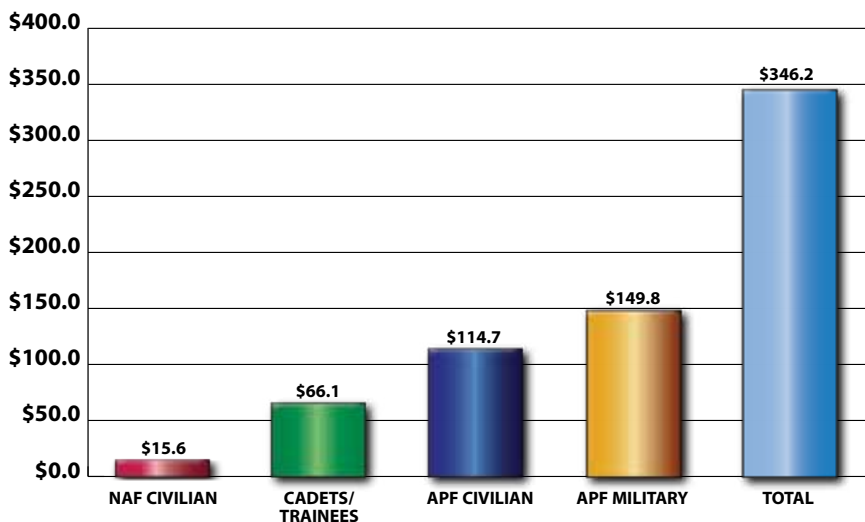
% OF APPROPRIATED FUND MILITARY PERSONNEL LIVING ON AND OFF BASE USAF ACADEMY - FY12



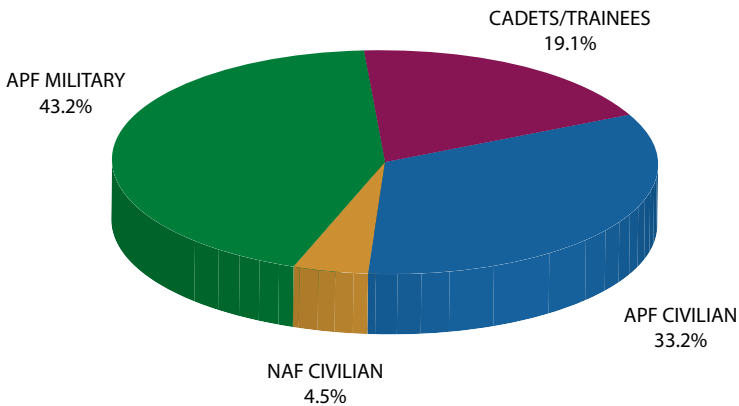
PART IV: GRAPHIC REPRESENTATION OF DATA

TABLE 2 – PAYROLL

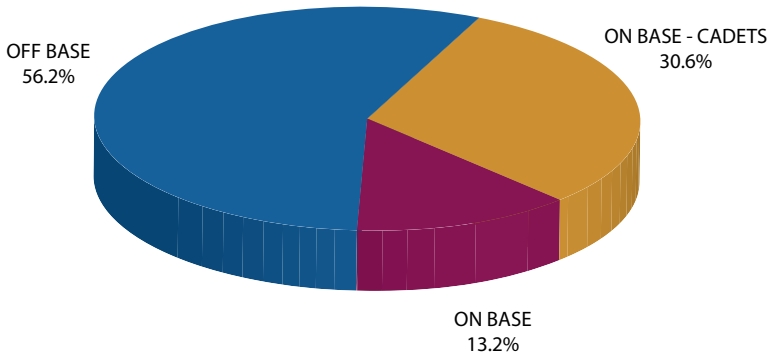
ANNUAL PAYROLL SUMMARY (\$M)
USAF ACADEMY - FY12



ANNUAL PAYROLL SUMMARY BY % USAF ACADEMY - FY12



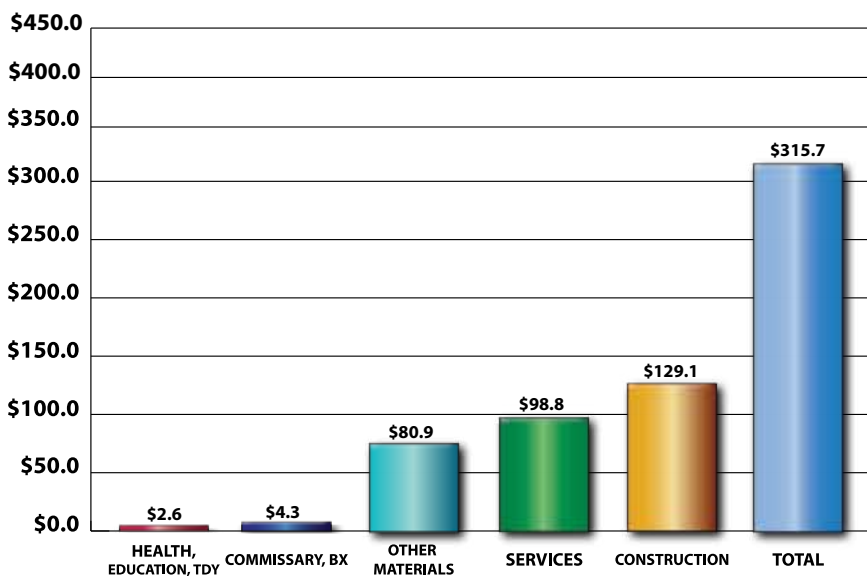
% OF THE APPROPRIATED FUND MILITARY PERSONNEL PAYROLL ATTRIBUTABLE TO PERSONNEL LIVING ON AND OFF BASE USAF ACADEMY - FY12



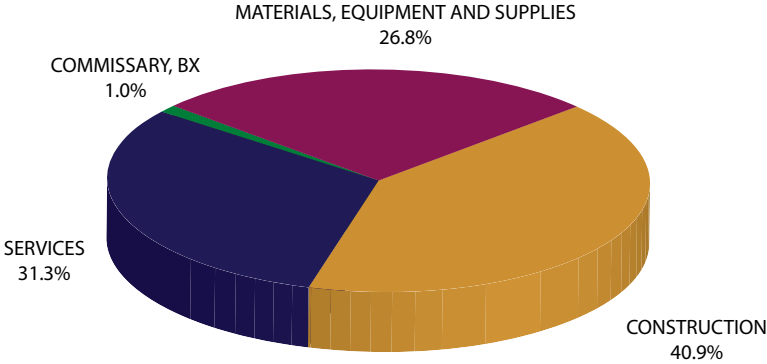
PART IV: GRAPHIC REPRESENTATION OF DATA

TABLE 3-EXPENDITURES

ANNUAL EXPENDITURE SUMMARY (\$M)
USAF ACADEMY - FY12



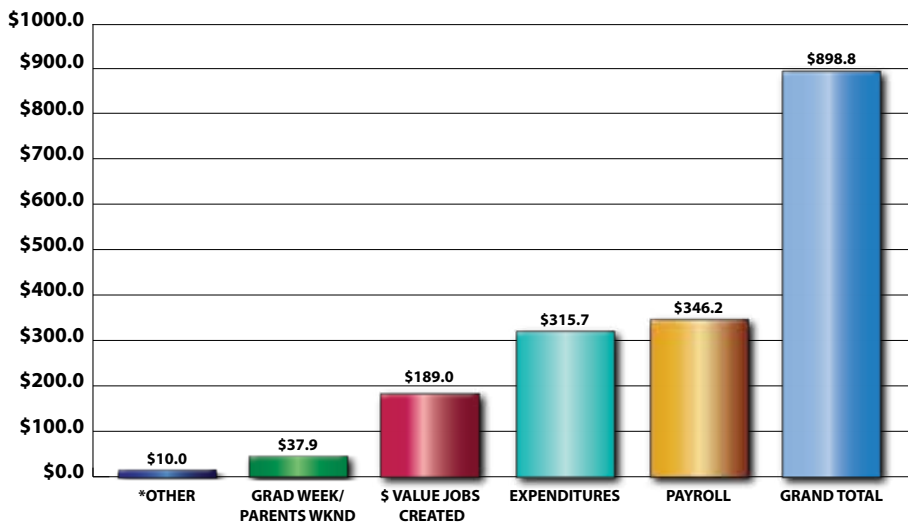
**ANNUAL EXPENDITURE SUMMARY BY %
USAF ACADEMY - FY12**



PART IV: GRAPHIC REPRESENTATION OF DATA

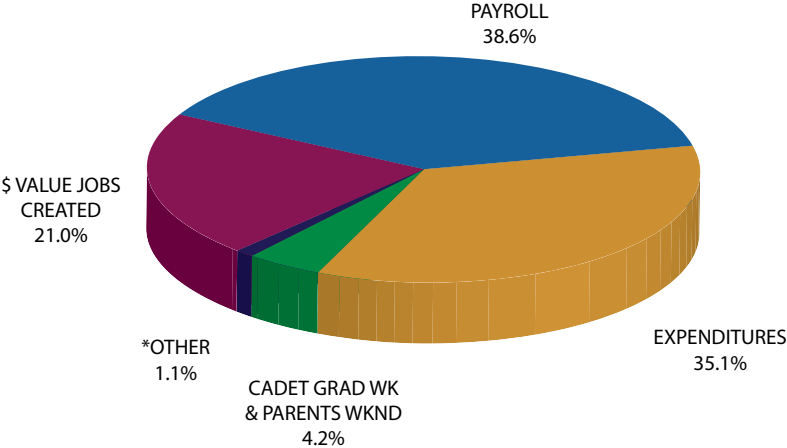
TABLE 7-ECONOMIC IMPACT

TOTAL ANNUAL ECONOMIC IMPACT (\$M)
USAF ACADEMY - FY12



*CFC/SPORTING EVENTS/CADET INPROCESSING

**TOTAL ANNUAL ECONOMIC IMPACT BY %
USAF ACADEMY - FY12**



*CFC/SPORTING EVENTS/CADET INPROCESSING

**The information presented in this pamphlet is
updated annually by fiscal year.**

**THE TOTAL ECONOMIC IMPACT OF THE USAF ACADEMY
ON THE SURROUNDING COMMUNITY IN
FISCAL YEAR 2012:**

\$898,823,166

OFFICE OF PRIMARY RESPONSIBILITY

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